SHRI SATYA PRAKASH MALAVIA: What about Kamla Nehru Cancer Institute, Allahabad?

SHRI EDUARDO FALEIRO: Sir, I have given the identification of these hospitals. This is done by the Ministry of Health.

MR. CHAIRMAN: He will include Kamla Nehru Cancer Institute, Allahabad, also.

Next question.

*185. (The questioners (Shri Surendra Singh Thakur and Sardar Jagit Singh Aurora) were absent. For answer vide col. 34-35 infra)

Trade with SAARC Countries

*186. SHRI GHULAM RASOOL MATTO: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have considered the possibility of rupee trade (both exports and imports) with the SAARC countries on the same line as in the case with the Soviet Union and other East European countries; and

(b) if the answer to part (a) above be in the affirmative, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) No, Sir. Adequate arrangements already exist for the conduct of bilateral trade between India and SAARC countries.

SHRI GHULAM RASOOL MATTO: Mr. Chairman, Sir, I am afraid that the real import of the question has not been understood by the hon Minister. The fact that there is a bilateral trade agreement is there That trade is already taking place perhaps through the Asia Monetary Unit and through the Asian Clearing Unit But foreign exchange is involved in that. What I meant was that we should have a bilateral trade with the SAARC countries on the same pattern as we are having trade with the East European countries and countries like Russia. From almost nil, we have reached a figure of 5600 crores of rupees of trade with Russia this year and the target for the next year is 7000 crores of rupees. All the countries of SAARC are faced with a tight foreign exchange position. I would, therefore, like to tell the hon. Minister that his stating that we have no intention of this thing is directly in-conflict with the statement made by the Government of India in the SAARC Conference in Kathmandu on 1st November, 1987. This is what Shri Natwar Singh stated there categorically:

> "....that SAARC extend its area of activity to cover trade and economic cooperation. In a forth-right statement, Mr. Natwar Singh said that keeping trade out of the SAARC purview was fundamental lacuna of our institution."

He further goes on to say:

> "We have still not been able to initiate cooperation in areas which have been traditionally considered the warp and woof of regional cooperation. Mr. Natwar Singh said these were principally the economic-sectors of trade, industry, money and finance essential underpinnings of all regional cooperation activities.
>
> Without extending our cooperation to these areas, our complementaries can never be fully utilised, the comparative advantages of the respective members countries cannot be adequately harnessed to the common good—and in the ultimate analysis regional cooperation itself cannot be sustained and nourished."

Sir, in spite of these observations, the hon Minister now says that we cannot have all these things There are more quotations which I do not want to give for the sake of brevity. But this is very clear. Even the cap-

tions of newspapers says: "SAARC nations to institutionalise cooperation in planning, trade". Similarly, there is aother caption saying "SAARC for trade cooperation despite Pak reservations". I will give you a classical example. I myself saw that a Bangladesi in Jeddah, Saudi Arabia, was purchasing 60 Kashmiri shawls for trade in Bangladesh. I said: "Why are you buying these shawls in Saudi Arabia when you can purchase thesefrom India"? He said: "We have no foreign exchange. Therefore, we cannot buy directly from India. I had come to Saudi Arabia and bought the shawls from here". I would like the hon. Minister to consider this. It is not where any foreign exchange is involved. It is rupee trade. And I see a very bright future for it. Will he reconsider it in view of Mr. Natwar Singh's statement and the Government of India's stand on SAARC? Will he reconsider that we will have rupee trade with SAARC countries and initiate action in this behalf?

SHRI P. R DAS MUNSHI: I would first like to make it clear to the hon. Member that I have not replied in negative form. The question was "...like the Soviet Union and other East Suropean countries..." The concept of rupee trade that we have with the Soviet Union and other East European countries is for balanced trade. The position of SAARC countries is different. Secondly, I have not gone through the statement that you have just now mentioned But the Prime Minister himself in Kathmandu did refer at one point of time to trade. Sir, the SAARC as a group has not yet accepted trade in the agenda. Therefore, I cannot discuss trade in terms of SAARC as such. But I can certainly discuss the question of countries within the SAARC in bilateral terms as they exist today. That is exactly the position. Now, as observationcan be made by any Minister.

But until and unless the SAARC as a forum accepts the concept of trade in the agenda, it is difficult for me, Sir, to explain as to what the concept of trade will be, whether in rupee terms or dollar terms.

With regard to Bangladesh as the hon. Member referred to, you must be knowing that soon after their independence there was rupee trade. But it is they who thought that is was not helpful to them, and therefore the rupee trade has not been functioning from that period, because one of the conditions of rupee trade is that whenever there is a rupee surplus unless you match it by buying more from us or you buy from them, it does not function. I think they cannot buy a lot from us or we cannot buy all that they want to supply. In such cases it becomes absolutely inoperative. Therefore, we go back again to the free foreign exchange system of trade.

SHRI GHULAM RASOOL MATTO: The hon. Minister has replied that so far as the decision about SAARC countries jointly is concerned no decision has been taken in regard to trade. All right. But he further says that on the basis of the trade that we have got with Russia, we can have rupee trade with the particular countries of SAARC on bilateral basis. Will the Government of India offer this to SAARC countries on individual basis that they are prepared to have trade with them on the same basis as they have with the Soviet Union?

SHRI P.R. DAS MUNSHI: I will not give this meaning. But I will only say that the rupee trade was not found feasible, excepting in the case of Bhutan and Nepal with whom transactions are conducted in rupees also. The reason, as I have already explained, is that in the clearing system both sides have to mutually want to conduct rupee trade. But in the rupee is in surplus unless you buy and match it in equal number the trade cannot be operative. I will explain If I sell goods worth Rs. 2000 crores to Bangladsesh and if Bangladsesh cannot sell nearabut Rs. 2000 crores worth of goods in a particular year or in the next year, matching, then it

becomes inoperative. They feel that they have been deprived. And, therefore, in such cases rupee trade does not become operative. And Bangladsesh felt it because we had rupee trade with them after their independence, and that is why we have been doing it in free foreign exchange system and that too in the A.C.U. concept where this problem is not there because whosoever is in surplus that particular aspect is being repaid by free foreign exchange.

SHRI GHULAM RASOOL MATTO: One minute. For instance, we export to them goods worth Rs. 1200 crores and they export to us goods worth Rs. 1000 crores. We have thus got Rs. 200 crores surplus. But the extent of Rs. 1000 crores, they have been benefited because they have not paid in foreign exchange. Can you make such an offer to them?

SHRI P. R. DAS MUNSHI: It is not offer. The difficulty is that in respect of the Soviet Union there is a centralised, planned economy, and a certain amount of ...(Interruptions) In such countries of the SAARC as you have mentioned, they have prices private trading sector and a little of the Government control. So, this kind of total command that if you give me Rs 2,000 crores, I will match it by 2,000 crores of rupees is impossible for them to predict. And I cannot offer suo moto that I will offer you so and so and you offer me so and so. I may not need those items which they like to offer. It is impossible to balance.

DR. YELAMANCHILI SIVAJI: Sir, as far as the rupee trade is concerned, is there any information with the Government that our goods are sold and changing hands on deepsea waters for hard currency and at higher prices? If so, what steps are taken by the Government to see that the benefit comes to the Government of India?

SHRI P R. DAS MUNSHI: In so far as rupee trade countries are concerned, such things do not exist. Our STC is permitted to have such kind of sale, with a better bargaining power, to other countries where rupee trade arrangements are not available.

MR. CHAIRMAN: Question No. 187.

Vehicles of Assam rifles involved in smuggling of narcotics

*187. DR. R. K. PODDAR:†
SHRI MOSTAFA BIN QUASEM:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that the Narcotics Control Bureau had informed the Union Home Ministry about the involvement of Assam Rifles vehicles in smuggling of narcotics from Burma; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) Two personnel of Assam Rifles, a Lance Naik and a Corporal, were reported to be involved in a seizure of 20 gms of heroin effected on 10-5-88 at Shillong, and in connection therewith both were arrested.

DR. R. K. PODDAR: Sir, the Government's reply is somewhat evasive and, therefore, completely unsatisfactory. There was a report in the 'Hindu' on the 10th of July this year, and there were specific allegations that Assam Rifles vehicles were used for this smuggling of heroin drugs. And these drugs, as the report says, appear to be of a finer quality. They can be injected intravenously whereas those which come from the Pakistan border are of a lower quality. Now, I would like to know specifically as to who arrested these Assam Rifles Jawans, the Assam Rifles authorities or the Narcotics Control Bureau, and when they were arrested whether

†The question was actually asked on the floor of the House by Dr. R. K. Poddar.